



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

**Provide limited government:** The Department of Agriculture and Consumer Services anticipates it will need additional FTEs in order to perform the provisions of this legislation.

**Promote personal responsibility:** The bill requires the importers of perishable items to bear the costs of inspection.

**Maintain public security:** The bill requires the inspection of perishable items entering the United States through its airports from a nation identified as having a terrorist organization present within its borders. No such inspection program currently exists, and could provide an opportunity for the state to interdict items that may pose a threat to the health and safety of the public or the state's agricultural economy and/or food supply.

#### B. EFFECT OF PROPOSED CHANGES:

The United States Department of State (DOS) compiles a report, *Patterns of Global Terrorism*, each year listing acts of international terrorism. In the DOS 2003 report<sup>1</sup>, 208 acts of international terrorism are listed, with 35 of those being committed against Americans in Columbia, the Philippines, Israel, the West Bank, Gaza, Iraq, Saudi Arabia and Afghanistan. Additionally, the DOS's "state sponsors of terrorism" include Cuba, Iran, Libya, North Korea, Sudan, and Syria.

Florida currently has 16 international airports. During the FY 2003-04, an estimated 2.1 million tons of perishables arrived at Miami International Airport alone. This legislation requires that each perishable item (be it food or plant material) must be manually inspected if the shipment originated from one of the above-mentioned countries. While the Florida Statutes provide a definition for perishables as it pertains to food<sup>2</sup>, perishables as used in the bill would also include plant material, such as fresh flowers.

Currently, the department inspects agricultural products at the state's 22 agricultural interdiction stations, but does not perform inspections at airports. The United States Department of Agriculture (USDA) and the Department of Homeland Security (DHS) currently have jurisdictional authority over agricultural commodities moving in international trade. Since the events of September 11<sup>th</sup>, 2001, DHS has implemented procedures which make it very difficult for nonfederal employees to obtain clearance for access to various parts of the airports. Because the bill mandates the inspections to be done by department employees, special clearance from the federal authorities to access areas of the airports where the shipments arrive would be necessary.

HB 823 requires the Department of Agriculture and Consumer Services (department) to manually inspect each perishable item that enters Florida through one of the state's airports and is exported by a country that has been identified by the United States Department of State as a country in which a terrorist organization exists.

#### C. SECTION DIRECTORY:

**Section 1:** Provides for the Department of Agriculture and Consumer Services to manually inspect each perishable item entering the state through any of the state's airports and being exported by a

---

<sup>1</sup> <http://www.state.gov/s/ct/rls/pgtrpt/2003/>

<sup>2</sup> Section 768.136(1)(d), F.S.

country in which a terrorist organization exists; provides the cost of the inspection shall be borne by the importer of such items.

**Section 2:** Provides an effective date of July 1, 2005.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

	FY 2005-06 Amt/FTE	FY 2006-07 Amt/FTE	FY 2007-08 Amt/FTE
1. Revenues:			
<b>Recurring Revenues:</b>			
<b>Plant Insp. TF (PITF)</b>	<b><u>\$11,930,972</u></b>	<b><u>\$11,930,972</u></b>	<b><u>\$11,930,972</u></b>
2. Expenditures:			
Recurring:			
Sal. & Ben.: (PITF)			
(9) Specialist Superv.	\$ 405,171	\$ 405,171	\$ 405,171
(180) Ag & CS Specialists	\$ 7,428,600	\$ 7,428,600	\$ 7,428,600
Total Salaries & Benefits	<u>\$ 7,833,771</u>	<u>\$ 7,833,771</u>	<u>\$ 7,833,771</u>
Expenses: (PITF)			
(189) Prof. Pkgs.	<u>\$ 1,841,427</u>	<u>\$ 1,841,427</u>	<u>\$ 1,841,427</u>
Human Res. Services: (PITF)			
(189) FTE @ \$399 each	<u>\$ 73,521</u>	<u>\$ 73,521</u>	<u>\$ 73,521</u>
AGMIC: (GR or GITF)			
PC net supp./MS lic.			
Sec.supp serv., etc.	<u>\$ 283,500</u>	<u>\$ 283,500</u>	<u>\$ 283,500</u>
Total Recurring:	<u>\$10,032,219</u>	<u>\$10,032,219</u>	<u>\$10,032,219</u>
Non-Recurring: (PITF)			
(189) Prof. OCO pkgs	\$ 340,200		
(90) Ford Ranger 4x2	\$ 1,025,280		
Non-Operating Costs (PITF)			
Admin./Indirect Costs	\$ 533,273		
Total Non-Recurring:	<u>\$ 1,898,753</u>		
<b>Total Costs (All Funds):</b>	<b><u>\$11,930,972</u></b>	<b><u>\$10,032,219</u></b>	<b><u>\$10,032,219</u></b>

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Importers of perishable items are required to bear the costs of administering the inspection program. This cost is estimated to be \$11,930,972 annually. These costs could be passed on to the customers of importers, and the physical inspections could also result in costly delays in getting products released to the marketplace.

D. FISCAL COMMENTS:

The estimated fiscal impact is based on information provided by the United States Department of Agriculture (USDA) for shipments of cut flowers imported from Colombia, South America. During 2004, there were 13,360,887 boxes of cut flowers imported through Miami from Colombia. To perform a 100% inspection on each box would require approximately one inspector per 34 boxes per hour. It should also be noted that the shipment would be seasonal resulting in a greater demand for inspection resources around certain periods, i.e. Valentine's Day, Mother's Day, Easter, etc.

Based on the Colombian information, the recurring amount and FTE's were calculated as follows: 13,360,887 boxes divided by 34 boxes per hour divided by 2080 hours per FTE per year = 189 FTEs. Additionally, the department calculated one supervisory position for every (20) Agriculture and Consumer Protection Specialist positions.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to take an action requiring the expenditure of funds, does not reduce the authority that counties or municipalities have to raise revenues in the aggregate, and does not reduce the percentage of state tax shared with counties or municipalities.

2. Other:

The United States Department of Agriculture (USDA) and the Department of Homeland Security (DHS) have jurisdictional authority over agricultural commodities moving in international trade. Trying to control these products under state authority could lead to legal challenges.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

None.